

# **EXHIBIT L**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
CIVIL NO. 97-3496 (DRD)

-----  
WALSH SECURITIES,  
INC.,

Plaintiff,

v.

CRISTO PROPERTY  
MANAGEMENT, LTD., a/k/a  
G.J.L. LIMITED; DEK  
HOMES OF NEW JERSEY,  
INC.; OAKWOOD  
PROPERTIES, INC.;  
NATIONAL HOME FUNDING,  
INC.; CAPITAL ASSETS  
PROPERTY MANAGEMENT &  
INVESTMENT CO., INC.;  
CAPITAL ASSETS  
PROPERTY MANAGEMENT,  
L.L.C.; WILLIAM KANE;  
GARY GRIESER; ROBERT  
SKOWRENSKI, II;  
RICHARD CALANNI;  
RICHARD DI BENEDETTO;  
JAMES R. BROWN; THOMAS  
BRODO; ROLAND PIERSON;  
STANLEY YACKER, ESQ.;  
MICHAEL ALFIERI, ESQ.;  
RICHARD PEPSNY, ESQ.;  
ANTHONY M. CICALASE,  
ESQ.; LAWRENCE CUZZI;  
ANTHONY D'APOLITO; DAP  
CONSULTING, INC.;  
COMMONWEALTH LAND  
TITLE INSURANCE CO.;  
NATIONS TITLE  
INSURANCE OF NEW YORK,  
INC.;

COPY

DEPOSITION UPON  
ORAL EXAMINATION  
OF  
ROBERT C. WALSH

1	FIDELITY NATIONAL :	1	INDEX
2	TITLE INSURANCE CO. OF :	2	
3	NEW JERSEY; COASTAL :	3	WITNESS PAGE
4	TITLE AGENCY; DONNA :	4	
5	PEPSNY; WEICHERT :	5	ROBERT C. WALSH
6	REALTORS and VECCHIO :	6	Direct examination by Mr. Kott 6
7	REALTY, INC. D/b/a :	7	Cross-Examination by Mr. Hayes 172
8	MURPHY REALTY BETTER :	8	EXHIBITS DESCRIPTION FOR IDENT.
9	HOMES AND GARDENS, :	9	Robert Notice to take oral 5
10	Defendants. :	10	Walsh-1 deposition of plaintiff
11		11	Walsh Securities
12		12	Robert Fourth amended complaint 5
13		13	Walsh-2
14		14	Robert Letter dated April 3, 5
15		15	Walsh-3 1998 from Walsh
16		16	Securities to William T.
17		17	Lutz
18		18	Robert Letter dated July 3, 1997 107
19		19	Walsh-4
20		20	Robert Letter dated July 30, 108
21		21	Walsh-5 1996
22		22	Robert Agreement of settlement 110
23		23	Walsh-6
24		24	
25		25	

  

1	TRANSCRIPT of the stenographic	1	(Exhibits marked for identification
2	notes of HOWARD A. RAPPAPORT, a Notary Public and	2	Robert Walsh-1, Notice to take oral deposition of
3	Certified Shorthand Reporter of the State of	3	plaintiff Walsh Securities; Robert Walsh-2, Fourth
4	New Jersey, Certificate No. XI00416, taken at the	4	amended complaint; Robert Walsh-3, Letter dated
5	offices of MC CARTER & ENGLISH, LLP, Four Gateway	5	April 3, 1998 from Walsh Securities to William T.
6	Center, Newark, New Jersey, on Friday,	6	Lutz.)
7	April 9, 2010, commencing at 9:35 a.m.	7	MR. KOTT: Before we swear the witness,
8		8	I had marked for identification exhibit Robert
9		9	Walsh-1, which is a notice to take oral deposition of
10		10	plaintiff Walsh Securities, Inc. which I served on
11		11	Mr. Magnanini.
12		12	Robert Walsh-2 is the fourth-amended
13		13	complaint that is filed as document 302, filed with
14		14	the clerk electronically on 07/10/2009. Attached to
15		15	it is document number 302-2, electronically filed the
16		16	same day, which are the exhibits.
17		17	Exhibit Robert Walsh-3 is an April 3,
18		18	1998 letter and its enclosures written by Fred H.
19		19	Schlesinger, vice president and general counsel of
20		20	Walsh Securities, Inc., to William T. Lutz, Esquire,
21		21	Sedwick Law Firm, apparently making a claim under a
22		22	mortgage bankers bond.
23		23	MR. MAGNANINI: Do you have copies of
24		24	those? I didn't bring any.
25		25	MR. KOTT: Yes.

2 (Pages 2 to 5)

Walsh - direct

<p>22</p> <p>1 A A straw buyer really has no real</p> <p>2 interest in buying the property. The straw buyer is</p> <p>3 really being utilized for their credit position, that</p> <p>4 they have the ability to qualify for a loan. They</p> <p>5 have no intention whatsoever of occupying the</p> <p>6 property or being part of the property.</p> <p>7 They are being paid a fee in order to</p> <p>8 loan their credit to the transaction, in order to get</p> <p>9 an approved mortgage.</p> <p>10 Q You also referred to a closing</p> <p>11 protection letter?</p> <p>12 A Correct.</p> <p>13 Q I understand among the claims that Walsh</p> <p>14 Securities makes in this case are claims against the</p> <p>15 title insurance defendants under the closing</p> <p>16 protection letters?</p> <p>17 A That is correct.</p> <p>18 Q And I think you said that before Walsh</p> <p>19 would fund these loans, it would receive the closing</p> <p>20 protection letters from the title insurance</p> <p>21 defendants?</p> <p>22 A That's correct, or the agent, but yes.</p> <p>23 Q Or the agent being Coastal?</p> <p>24 A Right.</p> <p>25 Q Okay.</p>	<p>24</p> <p>1 Walsh get involved in National Home Funding?</p> <p>2 A I believe 1995, and I don't remember the</p> <p>3 specific date National Home Funding became an</p> <p>4 approved correspondent, participant we called them.</p> <p>5 I believe Mr. Skowrenski -- I'm not sure</p> <p>6 if it was Mr. D'Apolito that introduced</p> <p>7 Mr. Skowrenski to the company, I believe that was the</p> <p>8 case, and he signed the participation agreement --</p> <p>9 the participant agreement, and he was approved.</p> <p>10 Q Would Bette Ann DeMola need to have been</p> <p>11 involved in the approval of National Home Funding?</p> <p>12 A No.</p> <p>13 Q Would she have any involvement in the</p> <p>14 approval of National Home Funding?</p> <p>15 A Specifically National Home Funding or</p> <p>16 any participant?</p> <p>17 Q Any participant.</p> <p>18 A The answer is no. The answer would be</p> <p>19 she may have accounts that she had for an extended</p> <p>20 period of time. She was in the business a long time,</p> <p>21 and she may bring in accounts.</p> <p>22 I'm a little vague on what you are</p> <p>23 referring to as did she have any involvement.</p> <p>24 The transaction would be, a sales person</p> <p>25 would bring in an application and it would go through</p>
<p>23</p> <p>1 How did Mr. Kane get involved with Walsh</p> <p>2 Securities? Or how did Walsh Securities gets</p> <p>3 involved with Mr. Kane?</p> <p>4 A It is our belief that Mr. D'Apolito</p> <p>5 introduced -- someone introduced Mr. Kane to</p> <p>6 Mr. D'Apolito. We believe that there was a circle of</p> <p>7 people, and we believe that there was a relationship</p> <p>8 that was being developed prior to loans actually</p> <p>9 coming into Walsh Securities. And the relationship</p> <p>10 started, I believe, with Mr. Kane through</p> <p>11 Mr. D'Apolito.</p> <p>12 Q What was Mr. D'Apolito's position with</p> <p>13 the company?</p> <p>14 A He was a sales person.</p> <p>15 Q Who was his boss?</p> <p>16 A Bette Ann DeMola.</p> <p>17 Q And what was Ms. DeMola's title?</p> <p>18 A She was national sales manager.</p> <p>19 Q What were Ms. DeMola's responsibilities</p> <p>20 in that position?</p> <p>21 A The branch managers of all the branches</p> <p>22 reported to Ms. DeMola, and the sales people in</p> <p>23 New Jersey reported to her.</p> <p>24 Q With respect to National Home Funding,</p> <p>25 how did they get involved with Walsh, or how did</p>	<p>25</p> <p>1 the individual department that was responsible for</p> <p>2 approving new participants.</p> <p>3 Q Would Bette Ann DeMola have any</p> <p>4 involvement with that? That's all I'm asking.</p> <p>5 A No, I understand.</p> <p>6 Q Yes.</p> <p>7 A I'm being a little hazy, because the</p> <p>8 answer is no, unless it was some of her accounts that</p> <p>9 was being brought into the company.</p> <p>10 Q Okay.</p> <p>11 When did you first meet Mr. Kane?</p> <p>12 A I don't remember, Mr. Kott. It could</p> <p>13 have been --</p> <p>14 MR. MAGNANINI: By him, you mean him</p> <p>15 personally?</p> <p>16 MR. KOTT: Yes.</p> <p>17 Q When did you, Robert Walsh personally,</p> <p>18 meet Mr. Kane the first time?</p> <p>19 A I don't remember.</p> <p>20 Q How many times, approximately, have you</p> <p>21 yourself met Mr. Kane?</p> <p>22 A Just define, please, met.</p> <p>23 Q Been in his presence.</p> <p>24 A Walked past him, saw him?</p> <p>25 Q Yes.</p>

7 (Pages 22 to 25)

1 UNITED STATES DISTRICT COURT  
 2 DISTRICT OF NEW JERSEY  
 3 Civil Action No. 97-cv-3496 (DRD) (MAS)  
 4 WALSH SECURITIES, INC., :  
 5 Plaintiff, : DEPOSITION OF:  
 6 v. : ROBERT C. WALSH  
 7 (VOLUME III)  
 8 CRISTO PROPERTY MANAGEMENT, LTD., :  
 9 a/k/a G.J.L. LIMITED; DEK HOMES :  
 10 OF NEW JERSEY, INC.; OAKWOOD :  
 11 PROPERTIES, INC.; NATIONAL HOME :  
 12 FUNDING, INC.; CAPITAL ASSETS :  
 13 PROPERTY MANAGEMENT & INVESTMENT :  
 14 CO., INC.; CAPITAL ASSETS PROPERTY :  
 15 MANAGEMENT, L.L.C.; WILLIAM KANE; :  
 16 GARY GRIESER; ROBERT SKOWRENSKI, :  
 17 II; RICHARD CALANNI; RICHARD :  
 18 DiBENEDETTO; JAMES R. BROWN; :  
 19 THOMAS BRODO; ROLAND PIERSON; :  
 20 STANLEY YACKER, ESQ.; MICHAEL :  
 21 ALFIERI, ESQ.; RICHARD PEPSNY, :  
 22 ESQ.; ANTHONY M. CICALESE, ESQ.; :  
 23 LAWRENCE CUZZI; ANTHONY D'APOLITO; :  
 24 DAP CONSULTING, INC.; COMMONWEALTH :  
 25 LAND TITLE INSURANCE CO.; NATIONS :  
 TITLE INSURANCE OF NEW YORK, INC.; :  
 FIDELITY NATIONAL TITLE INSURANCE :  
 CO. OF NEW JERSEY; COASTAL TITLE :  
 AGENCY; DONNA PEPSNY; WEICHERT :  
 REALTORS and VECCHIO REALTY, INC. :  
 d/b/a MURPHY REALTY BETTER HOMES :  
 AND GARDENS, :  
 Defendants.

20 X-----X  
 21 TRANSCRIPT of testimony as taken by and  
 22 before CHERYL McGANN, a Certified Court Reporter  
 23 of the State of New Jersey, at the offices of  
 24 McCARTER & ENGLISH, LLP, Four Gateway Center,  
 25 Newark, New Jersey, on Friday, September 30, 2011,  
 commencing at 9:14 a.m.

24 Job No. NJ356367  
 25

1 trustee.

2 A. On a monthly basis we get a trustee report.

3 Q. And what would be on the trustee report?

4 A. It would show on an individual loan basis  
5 any loans that were being charged against the  
6 overcollateralization account, and it would also  
7 show the performance of the other loans.

8 Q. And why has Walsh not produced those  
9 documents?

10 A. I am not sure if we did or we didn't.

11 Q. Okay. You're not sure if they're in the  
12 repository?

13 A. I'm not sure if they are or not.

14 Q. Okay. On that report that you're talking  
15 about, would there be some defaults that would  
16 include defaults on loans that were not NHF fraud  
17 loans that are at issue in this case?

18 A. Yes.

19 Q. Excuse me for one second.

20 I want to now call your attention to the  
21 approximate 80 or 85 loans that Walsh repurchased.

22 A. Sure.

23 Q. Do you remember -- am I right that it's in  
24 the area of 80 to 85?

25 A. That's -- yes, you are in that ballpark.

1 Q. Okay. Were all of those repurchased from  
2 securitizations?

3 A. They were not.

4 Q. Were some repurchased from securitizations?

5 A. Yes, they were.

6 Q. What ones were repurchased from securitizations?

7 A. We supplied I believe a schedule to you. I  
8 do not -- I don't know those things offhand.

9 Q. Okay. The individual ones, the ones that  
10 were purchased individually, give me an example from  
11 whom they were repurchased.

12 A. Money Store, they were repurchased from  
13 Cityscape, and they were repurchased from the  
14 securities. I don't believe I'm missing anyone.

15 Q. Can you break down how many were repurchased  
16 from the securities?

17 A. I believe that we supplied that information  
18 to you. I don't have that offhand.

19 Q. Was the majority repurchased from securities?

20 A. No, it was not.

21 Q. The ones that were repurchased from The Money  
22 Store, how was the value decided what they'd be  
23 repurchased for? Let me withdraw that, please.

24 How was the price decided what they would be  
25 repurchased for?